

The Research Review is a publication of the Research Division of the Tennessee House of Representatives

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THE FINAL WEEK OF BUDGET HEARINGS: PROBATION & PAROLE • DEPT. OF TRANSPORTATION FINANCE & ADMINISTRATION'S BUDGET OVERVIEW AND CAPITAL PROJECTS OVERVIEW (summaries begin on page 10)

House Committee Activity: April 8 - 11, 2002



Representative Shelby Rhinehart is congratulated by House Speaker Jimmy Naifeh as Majority Leader Gene Davidson shares in the tribute. On last Wednesday, Representative Rhinehart, Chairman of the House Commerce Committee, announced he would not seek re-election to the House after 36 years of legislative service.

Agriculture

Ryan Swindell

The full **Agriculture Committee** met Tuesday with two bills to consider. **SJR 554** by Rep. Buck was recommended to Calendar & Rules. This resolution confirms the appointment of Eddie Paschall to the Tennessee Forestry Commission.

HB 1716, previously considered, was rolled for one week. This bill, sponsored by Rep. McMillan, would create a new Class E felony for aggravated cruelty to animals.

The **Marketing and Commodities Subcommittee** is closed.

The **Agriculture Resource and Industry Subcommittee** is closed.

Children & Family Affairs

Shannon Romain

The **Family Justice Subcommittee** of the **Children & Family Affairs Committee** held its final meeting on Tuesday. The committee reviewed and referred **HB 2124** by Rep. Bone to the full committee. The bill authorizes the court to compel a domestic abuser to reimburse a domestic shelter the reasonable cost of providing services to the abuser's victims.

In the full committee, two bills were reviewed. **HB2583** by Rep. DeBerry, clarifying and reorganizing the child support and alimony statutes, was deferred until next week. And, after much controversy, **HB 2476** by Rep. Patton was referred to **Finance, Ways and Means**. As amended, the bill requires that judges provide parties to custody hearings with a written explanation of the grounds on which custody was granted. The written findings must be predicated upon "best interest" standard. The bill also permits parents, divorced prior to the parenting plan laws, to seek a modification to their existing custody order. The modification would incorporate the parenting plan into the existing order. In this respect the bill would have a retroactive effect because it would allow parents to revisit orders that were decided under former laws, such as the tender years doctrine which was ultimately deemed unconstitutional. According to Rep. Bowers, the sponsor of one of several amendments to the bill, permitting parents to seek modifications incorporating the parenting plan laws would be in the "best interest of the children" because judges would no longer "have the discretion to [grant] or deny modifications... on a whim."

Conservation & Environment

Greg E. Adkins

The full **Conservation & Environment Committee** met on Wednesday, April 10, 2002, to consider six bills. **HB 2996** by Rep. McDonald passed to C&R as amended. The amended bill would allow one water district in Rep. McDonald's district to be governed by an elected five-member board. **HB 2960** by Rep. Fitzhugh was rolled for one week. **HB 2902** by Rep. McCord passed to C&R as amended; the amended bill would allow TDEC to promulgate rules that authorize the technical secretary to issue air quality permits. The issuance of these permits shall not repeal any rules of the air board. If new EPA rules roll back federal requirements, the legislature shall determine whether Tennessee should have a more

restrictive rule than the federal rule. **HB 3097** by Rep. McCord passed to FW&M as amended. The amended bill would authorize TWRA to promulgate rules and regulations to permit a licensed trapper to release small game animals in counties contiguous to the counties where the animals were trapped. **SJR 576** by Rep. Givens (Ramsey) passed to C&R; the resolution expresses support for the Division of Forestry's commitment to sustainable forest management, and commends the division for attaining certification from the Forest Stewardship Council and meeting preliminary requirements to proceed with the certification process under the Sustainable Forestry Initiative. **HB 556** by Rep. McDonald passed to FW&M as amended. The amended bill would enact the "State Parks Management and Preservation Act of 2001." The bill would create a new independent administrative board to manage Tennessee State Parks. The board would be similar to TWRA, and the Governor, Speaker of the House, and Lt. Governor will appoint the members of the board. The bill would require the new agency to perform all functions formerly held by the Division of State Parks.

The **Conservation & Wildlife Subcommittee** met on Wednesday, April 10, 2002, with one bill on notice. **HB 3100** by Rep. McCord passed to full committee as amended. The amended bill would require owners of off-highway motor vehicles to annually register the vehicle with TWRA for the purpose of developing an off-highway motor vehicle program. The program would authorize the director of TWRA to establish off-road vehicle education programs, and allow TWRA to purchase or lease land for the program to ride on by such vehicles.

Three bills were on notice for the **Environment Subcommittee** on Tuesday, April 9, 2002. **HB 2798** by Rep. Bunch was taken off notice. **HB 3148** by Rep. McCord was rolled one week. **HB 858** by Rep. Turner was taken off notice.

The **Parks & Tourism Subcommittee** did not have bills on notice and did not meet.

Consumer & Employee Affairs

Shannon Romain

The **Consumer Affairs Subcommittee** of the **Consumer and Employee Affairs Committee** held its final meeting on Tuesday. Two bills were referred to the full committee.

HB2234 by Rep. Odom prohibits price-gouging resulting from terrorist acts, war, strikes, or other natural disasters. **HB 1416** by Rep. Rinks makes various changes to the current laws pertaining to licensed staff leasing companies or groups. The bill establishes reporting and payment methods for such companies, requires leasing companies and groups to keep separate records and to use clients state employee account numbers. It also establishes the methods for determining the aggregate reserve ration of a staff leasing company as well as the grounds for the joint and several liability of the leasing companies and their clients.

In the full committee, **HB 2485** by Rep. Buttry was referred to **Finance, Ways and Means**. The bill defines traveling sales crews and requires members who will be absent overnight from their primary residences while conducting sales to undergo a TBI background check, identify and verify any vehicles to be used when conducting sales, and to specify the dates and locations where sales shall be conducted. Any violation of the provisions set forth in the bill would be deemed an unfair or deceptive practice and punishable as a Class B misdemeanor.

HR 0232 by Rep. Patton was taken off notice, and all other bills on the calendar were deferred until next week.

Education

Jessica Peccolo

In Tuesday morning's meeting, the **Education Committee** resumed its hearing of **HB 2650** (Turner, B), which would allow LEA's to contract with local law enforcement in a program to lower truancy rates. Chairlady Brown introduced several individuals from Hamilton County who opposed the legislation. Ronald Pope, coordinator of alternative programs for Memphis City Schools, was the final speaker to address the committee. Mr. Pope came at the request of the Chairman to discuss the program currently being used in Memphis. He spoke very highly of the program and believed it was a success in getting kids off the street and back into school. Deputy Speaker Tuner offered an amendment that addresses some of the concerns that have been expressed during the weeks of discussion about the bill. The amendment lays out a process for developing a partnership between the LEA and law enforcement. It requires an advisory council, public hearings, provisions for training of teachers, officers and staff, and protection of the civil rights of the students

involved. The amendment was itself amended to include the local governing body in the partnership between the LEA and the local law enforcement. The amended amendment was adopted, but the bill was rolled to next week due to a lack of time to finish discussion.

Two pieces of legislation did pass during this week's meeting. **HJR 0592** (Phillips) renames the Tennessee Technology Center at Shelbyville as the "James L. Bomar, Jr. Technology Center". Chairman Phillips brought an amendment that also names the facilities conference room after Mr. Bomar. The amendment was adopted and the bill passed to Finance. **HB 2301** (Kisber) defines the relationship between Ms. Tennessee and the Drug Free Tennessee program. Ms. Tennessee serves as the spokeswoman for the program, which is subject to federal funding. An amendment, which makes the bill, was adopted before it was passed to Calendar and Rules.

K-12 Subcommittee

Representative Davidson was the sponsor of the first two bills to pass from K-12 Subcommittee this week. **HB 3176** was amended to rewrite the bill. The first amendment allows private accredited schools to offer Montessori programs. Currently, public schools already have the authority to run Montessori programs so this amendment also grants that right to private schools. The second amendment transfers the personnel that oversee these programs from the Department of Human Services to the Department of Education. Both amendments were adopted and the bill passed to full committee. **HB 2457** addresses a specific problem that has been an on-going concern for the town of Whitehouse, Tennessee. Whitehouse is situated directly on the Sumner and Robertson County line. For years the two counties have had an agreement between school systems for the children in Whitehouse. In recent years though, that agreement has faltered, creating a need for Whitehouse to have its own school system. The bill and its amendment allow for Whitehouse to form a school district and gives one year for this to take place. Again, this legislation is specifically limited to Whitehouse, Tennessee. It was passed as amended.

Representative Cooper brought **HB 2317**, which requires visions screening prior to a child being admitted to a public preschool or K-12 school. **HB 2317** was sent to the General Subcommittee. The other three bills sponsored by Representative Cooper were **HB 2319**, **HB 2274**, and **HB 2487**. After discussing her concerns with the subcommittee the representative decided not to move the bills this session. Rather, the sponsor will work with the department on those issues and re-file next session if her concerns are not addressed.

HB 2295 (Davis, R) was amended to address concerns about substitute teachers. The amendment makes the bill. First, it allows the school boards to adopt policies about the training that substitutes are required to have before working in a school. The amendment also prohibits teachers who have had their teaching license revoked from working as a substitute teacher. The bill was passed as amended to full committee.

Representative Jones took **HB 2670** off notice. The bill requires schools to hold a child's final report card until a parent or guardian goes to the school in person for a parent teacher conference. The companion bill in the Senate was sent to Education Oversight for study during the off session. **HB 440** (Boyer) failed on a voice vote.

All other bills on this week's calendar were rolled until next week.

Higher Education Subcommittee

THE HIGHER EDUCATION SUBCOMMITTEE IS CLOSED.

Finance, Ways & Means

Cathy Higgins

Finance, Ways and Means Committee April 9, 2002

The full committee had 13 bills on calendar this week. Twelve of the bills were referred to Calendar and Rules. **HB 2672** by Rep. Ulysses Jones was rolled one week at the sponsor's request.

HB 896 (Buck) from Judiciary and the Council on Pension and Insurance provides additional incentives for retired judges or judges close to retirement to participate in the senior judge program. This bill shall be implemented from funds provided for already in the senior judge program.

HB 2693 (Head) from Transportation increases the height of manufactured homes requiring special routing for movement as well as the permit period. The permit period is extended for one-year and the cost will range from \$1,000 to \$2,000 depending on the height and width of the manufactured home. Prior to issuance of a permit, the transporter must have \$1 million in liability insurance.

HB 2280 (Kisber) from Health and Human Resources, authorizes deductions from nursing home resident's income for mobile dental services. Consent for dental services must be obtained from the resident or responsible person for the resident.

HB 2283 (Kisber) as amended, provides that "tangible personal property" under sales and use tax does not include signals broadcast over the airwaves. This bill addresses a recent Tennessee Court of Appeals ruling that television and radio broadcast signals are tangible personal property.

HB 2064 (Maddox) from Health and Human Resources allows home care organizations providing "professional support services" under contract with the Department of Mental Health and Developmental Disabilities to be licensed by the Department of Health and exempts them from the Certificate of Need (CON) process. Failure to continue the exemption could result in significant cost to the state due to the necessity of using only licensed agencies that have obtained CON to provide home health services.

HB 2526 (McMillan) as amended, establishes venue for matters relating to orders of protection to be in the county where the petitioner or respondent resides or county where the domestic violence occurred.

HB 3131 (Ridgeway) amends the code relative to property taxes and tax relief for disabled veterans. Currently, there is no legal definition for "total blindness" and this bill will change the wording in the statute for blindness from "total blindness" to "legal blindness" which is a recognized legal term.

HB 2893 (Sargent) from Commerce requires that Canadian security broker-dealers wanting to conduct business in Tennessee must file an annual notice with the Commissioner of Commerce and Insurance.

SJR 0497 (Caldwell) is a resolution to endorse and support the concept of creating memorials honoring the men and women who died during the September 11, 2001, terrorist attacks. Memorials are to be constructed from steel from the World Trade Center remains and erected in participating high schools around the county.

HJR 723 Pinion and **HBs 2519 and 3161** by **Pruitt** are highway signs honoring local citizens.

**Budget Subcommittee
Wednesday, April 10, 2002**

Budget Sub had 37 bills on calendar this week. Several were rolled to future calendars. Bills passed to full committee included:

HB 2371 (Jones, U) as amended, adds a new subsection to the TCA relative to voter registration lists and purchases by citizens. The bill provides that any list of registered voters compiled by the coordinator of elections can be sold at a price established by the Secretary of State. Revenue received is to be deposited into the "voting machine loan fund." The list shall be available for purchase to any person who certifies that such list will be used for political purposes only.

HB 3010 (Arriola) under present law, property of Tennessee nonprofit corporations that is used for housing low-income elderly or handicapped persons is exempt from property taxes and must be financed under a specified federal grant or program. This bill would specify that the housing provided by such nonprofit corporations must be permanent housing. This bill would broaden the exemption from property taxes to include properties financed under the McKinney-Vento Homeless Assistance Act and HOME Investment Partnerships Program. This bill does not apply to transitional or temporary housing that qualifies as charitable use of property by a religious, charitable, scientific or nonprofit educational institution.

HB 2433 (Whitson) increases the additional fine for speeding from \$2.00 to \$5.00 and reckless driving from \$25.00 to \$30.00. Revenue generated is earmarked for the Traumatic Brain Injury Fund.

HB 2339 (Bowers) from Health and Human Resources allows a licensed natural hair stylist to work without supervision of a licensed cosmetologist in an establishment licensed by the Board.

HB 2258 (Bowers) from Health and Human Resources extends the three existing pilot relative caregiver programs for two years through 2003-04. As amended in Budget Sub, if federal funding is not available the pilots will cease to exist.

HB 1247 (Head) from Transportation extends the use of a special "vehicle preparation tag" for entities so they can test vehicles within a twenty mile radius of their business.

HB 1816 (Kernell) from State and Local enacts the Family Visitation and Crime Reduction Act.

HB 2250 (McDaniel) from Judiciary addresses issues associated with individuals who maintain financial responsibility for the operation of their petroleum

underground storage tanks. Allows property owners, who are named in third party lawsuits, to receive compensation from the Tennessee Underground Storage Tank Fund.

HJR 746 (Rinks, Buck) as amended proposes a constitutional amendment "That no bill to raise the rate of sales tax or any tax measured by income, once both such taxes have been imposed and are in effect, or to create new exemptions, credits, or deductions or to increase any exemptions, credits or deductions from sales tax or any tax measured by income, shall become law unless, on third and final consideration, it has received the assent of three-fifths of all the members elected to the House of Representatives and three-fifth of all the members elected to the Senate."

HB 3003 (Roach) from State and Local, as amended in Budget Sub requires TACIR to study the size, composition and selection of boards of commissioners of utility districts. The Report to the General Assembly is due no later than 2/28/03. Funding for the study will come from existing resources.

HB 2434 (Todd) from State and Local, enacts the Planning Commission and Board of Zoning Appeals Training and Continuing Education act of 2002.

HB 1194 (DeBerry, L) as amended requires the Prevailing Wage Commission to report to the General Assembly on or before January 1, 2003 with recommendations for improvement to the current prevailing wage survey process.

For a summary of the final budget hearings held before the Finance Committee this year, turn to the special section on page 10.

Government Operations

Ryan Swindell

The **Government Operations Committee** did not meet this week.

On Monday, April 15, 2002, the Commerce, Labor and Transportation joint subcommittee will have a continuation hearing on the Tennessee Regulatory Authority at 2:00

P.M. in room 12 & 14 of Legislative Plaza. Immediately following the hearing on the TRA, the General Welfare, Health and Human Services joint subcommittee will hear the Human Rights Commission and the Panel on Health Care Facility Penalties.

Health & Human Resources

Judy Narramore

The **Health & Human Resources Committee** met on Tuesday at noon with seven bills on the calendar. **HB 2273** by Rep. Cooper as amended, which creates a joint study committee to examine issues related to licensure of surgical technologists, was referred to FW&M. **HB 2429** by Rep. Odom as amended, which creates the designation of "advanced practice nurse," was referred to FW&M. **HB 2939** by Rep. Montgomery, concerning hair wrapping, was discussed at length and ultimately rolled one week with two amendments pending. As amended the bill would exempt "hair wrapping" and "hair braiding" stylists from regulation by the Board of Cosmetology. **HB 3043** by Rep. Shepard as amended, which would revise requirements concerning utilization review programs for mental health and chemical dependency care, was referred to FW&M. **HB 3134** by Rep. Stanley as amended, which makes various changes to mental health and developmental disabilities provisions of current law, was referred to C&R. The remaining two bills on calendar, **HB 2479** by Rep. Patton (student loans/revocation of licensure) and **HB 3203** by Rep. McMillan (dentists), were rolled one week by the sponsors for purposes of drafting additional amendatory language.

The **Ad Hoc Committee on Childcare** met on Monday, April 8th. Rep. Chumney presented HB 2584 with a proposed amendment. In addition, Commissioner Metcalf, Department of Human Services, gave testimony on the recent childcare center transportation-related tragedy that occurred in Memphis.

The **Human Services and Mental Health Subcommittee** is closed subject to the call of the Chair. The **Health Access Subcommittee** did not have bills on notice and did not meet. The **Health Subcommittee** is closed.

Judiciary

Paige Edwards

Criminal Procedure & Practice

On Thursday, April 4, 2002, the **Criminal Practice & Procedure Subcommittee** met to consider Homeland Security legislation by Representative Kisber. HB 2545 by Representative Kisber was taken off notice.

The subcommittee focused its attention on **HB 3232**, which is a comprehensive bill implementing criminal penalties against individuals who engage in terrorist activity. NCSL, TBI, and TEMA participated in the creation of this legislation. The legislation presented to the subcommittee was modeled after federal law and New York law. HB 3232, as amended, was sent to the full committee for consideration.

This bill would create the "Terrorism Prevention and Response Act of 2002." This bill would apply to activities that involve the intentional release of a dangerous chemical or hazardous material when a person knowingly utilizes such agents with the intent and for the purpose of causing harm to persons either directly or indirectly through harm to animals or the environment. This bill creates criminal penalties for committing an act of terrorism. Also, this bill increases the criminal penalty for hoaxes and imposes criminal penalties against those individuals who assist in a terrorist plot. Likewise, this bill would regard price gouging or the deliberate withholding of goods and services in response to any crime, act of terrorism, war, or natural disaster as an unfair or deceptive act or practice.

This bill addresses public safety concerns. This bill would require TEMA to include a computerized telephone emergency warning system in the statewide emergency management plan. Also, it would specify that records in connection with security measures adopted by the general assembly would not be public records and would not be subject to public access or inspection laws. Likewise, this bill would grant TBI with general jurisdiction to investigate terrorism activities.

During the subcommittee meeting, two amendments were adopted for HB 3232. Amendment #1 applies to air carriers. This amendment would provide transportation security officers with the same rights, authority and limitations as TVA peace officers. Transportation security officers would have the power to pursue fleeing suspects and make arrests. Also, transportation security officers would be authorized to carry weapons while in the performance of their assigned duties. Transportation security officers would be required to complete law

enforcement training substantially equivalent to the requirements of the Tennessee Peace Officer Standards and Training Commission.

Amendment #2 clarifies Section 39-13-803 of Section 1 of the printed bill. This amendment clarifies that no university, research institution, private company, individual, hospital, or other health care facility would be subject to the provisions of this act if the actions were taken for a lawful purpose in connection with research or treatment and, as required, were licensed or registered with the Centers for Disease Control and Prevention.

Civil Procedure & Practice

On Tuesday, April 9, 2002, the **Civil Procedure & Practice Subcommittee** held its final meeting to consider 13 bills. HB 2194 by Representative Bunch failed for lack of a second on the motion to hear the bill. HB 3160 by Representative Bunch, HB 2591 by Representative West, HB 3170 by Representative McMillan, and HB 3171 by Representative McMillan were taken off notice. HB 2498 by Representative Bunch, HB 2198 by Representative Bunch, HB 2601 by Representative West, and HB 2529 by Representative McMillan were sent to the summer/fall study committee.

The following four bills were sent to the full committee:

- HB 2195 by Representative Bunch states that the filing of a lawsuit would not be considered a debt collection.
- HB 3027 by Representative Kisher increases award amounts under the criminal injuries compensation fund. Also, this bill revises the procedure for a claimant to recover travel expenses incurred to attend the defendant's trial.
- HB 2699 by Representative Scroggs, as amended, clarifies that a government entity would not be liable in a malicious harassment action unless the malicious harassment is conducted pursuant to a policy or practice of the government entity. Under this bill, a government entity would not be liable for punitive damages. The intent of this bill is to clarify an ambiguity in the common law.
- HB 2525 by Representative McMillan, as amended, would treat documents that are filed in an order of protection case as confidential. These documents could be transmitted to TBI or other law enforcement agencies. The provisions of this bill would not apply to forms promulgated by the supreme court pursuant to T.C.A. § 36-3-604(b).

Full Committee

The **full Judiciary Committee** met on Wednesday, April 10, 2002, to consider 28 bills. HB 3189 by Representative Hargrove was taken off notice. HB 1638 by Representative Bowers was sent to the summer/ fall study committee with the understanding that this bill will be first issue discussed on the study committee calendar. HB 2652 by Representative Turner (Hamilton), HB 2651 by Representative Turner (Hamilton), HB 2389 by Representative Bunch, HB 2675 by Representative Miller, HB 3125 by Representative Armstrong, HB 388 by Representative White, HB 2845 by Representative Chumney, HB 560 by Representative Boyer, HB 2797 by Representative Westmoreland, HB 2332 by Representative Buck, and HB 2570 by Representative Buck were rolled for one week.

The following eight bills were sent to **Calendar & Rules**:

- HB 2231 by Representative L. DeBerry, as amended, clarifies that a financial sponsor would not be liable for personal injury or property damage arising at a charitable fundraising event. This bill addresses a situation that arose in Shelby County.
- HB 3038 by Representative U. Jones (Shelby) requires persons convicted of patronizing a prostitute to submit to and pay for an HIV test.
- HB 2888 by Representative Scroggs, as amended, grants subpoena power to the Program Integrity Unit of the Office of Health Services as part of a TennCare enrollee investigation.
- HB 3144 by Representative Fowlkes, as amended, clarifies that appeals concerning probate matters would be heard in circuit court, chancery court, or the court of appeals, depending on the court that makes the initial decision, ruling, or order.
- HB 2510 by Representative Briley, as amended, requires each housing authority to maintain a current list of urban renewal plans that would not be taken by eminent domain. Also, this bill clarifies that a housing authority would not be prohibited from taking private property by eminent domain in situations that involve a redevelopment area, redevelopment project, or redevelopment plan.
- HB 2933 by Representative Briley, as amended, authorizes the post-conviction defender to represent a death sentence inmate. The post-conviction defender would not be compensated for providing representation.
- HB 102 by Representative Buck, as amended, clarifies the procedure for serving an application for homestead rights.

- HB 2154 by Representative Buck, as amended, clarifies that an individual would be charged the reasonable cost for medical records that are requested to support a claim or appeal under the Social Security Act. Under present law, the reasonable charge is \$15.00 for the first 5 pages (including retrieval fee), 75 cents per page up to the fiftieth page, 50 cents per page for the fifty-first page to the two hundred fiftieth page, and 25 cents per page for all other pages.

The following seven bills were sent to **Finance, Ways, & Means**:

- HB 3109 by Representative Boyer allows home rule municipalities to recover actual administrative expenses incurred as a result of false threats or hoaxes involving biological weapons, destructive devices, or weapons of mass destruction. The provisions of this bill would apply to home rule municipalities that have adopted ordinances to prohibit this activity. Under present law, home rule municipalities are empowered to impose penalties up to \$500 to recover administrative expenses incident to correction of municipal violations.
- HB 2331 by Representative Newton clarifies that certain business activities that comply with the Consumer Protection Act would not be considered unlawful business transactions for the purposes of the gambling law.
- HB 2989 by Representative Scroggs expands the offense of custodial interference to include the removal or detention of a child born out of wedlock from the rightful custody of the mother.
- HB 2112 by Representative Scroggs allows the introduction into evidence the past conviction of a sex offender where the victim at the time was under 13 years of age, if in the current case the victim is under 13 years of age. The provisions of this bill would be subject to the Tennessee Rules of Evidence 403.
- HB 2513 by Representative Briley, as amended, states that 50 per cent of the fine collected from individuals who are convicted of patronizing prostitution would be transmitted to the county general fund and earmarked for a residential rehabilitation and treatment program for individuals who are convicted of engaging in prostitution. This bill only would apply to Davidson County.
- HB 2576 by Representative Buck, as amended, creates a Class E felony offense for a person to possess a substance with the intent to manufacture a Schedule I or Schedule II controlled substance or to knowingly convey the substance to another for the manufacture of a Schedule I or Schedule II substance.

- HB 347 by Representative Buck increases the salary for the general session judge in Pickett County for the next judicial term in 2006.

State & Local Government

Lawrence Hall, Jr.

This week in **State and Local Government's** full committee **HB 2629**, by Rep. Brown, was passed to Finance, Ways, and Means. This bill, as amended, will create a study committee to research the issue regarding release eligibility dates for convicted felons. **HB 1056**, by Rep. Cole of Dyer County, was passed to the Finance, Ways, and Means Committee. This bill will allow utility districts, electric cooperatives, and municipal electric systems to enter into the propane gas business. **HB 2342**, by Rep. Scroggs, will increase the income level from \$10,500 to \$15,000 for eligibility for property tax relief for elderly and disabled homeowners. This bill was also passed to Finance, Ways, and Means. **HB 2967**, by Rep. Bunch, passed to Calendar and Rules. This bill will make the actual sales price of property the determining factor when determining the value of property for tax recordation purposes. **HB 2183**, by Rep. Kent, as amended, will extend the time that the Alcoholic Beverage Commission may issue a temporary server permit to 61 days. This bill was passed to Calendar and Rules. **HB 2831**, by Rep. S. Jones of Davidson County, Enacts the "Tennessee Provisional Voting Rights Act of 2002." This bill allows any person to vote if the individual's name does not appear on the official list of eligible voters for that polling place after affirming in writing before an election official that he or she is eligible. These votes will be set aside and counted once the election officials have made proper verification.

Transportation

Greg E. Adkins

The full **Transportation Committee** met on Wednesday, April 10, 2002, and considered five bills. **HB 2676** by Rep. Miller passed to FW&M; the bill authorizes the issuance of "Proud To Be An American" new specialty earmarked license plates. **HB 2393** by Rep. Kent passed to C&R as

amended. The amended bill rewrites the bill and only applies to Shelby County and allows police technicians to write traffic tickets instead of only police. **HB 2246** by Rep. Sharp was rolled one week. **HB 714** by Rep. Montgomery passed to FW&M; the bill would authorize the issuance of new specialty earmarked license plates for the Eagle Foundation.

The **Transportation & Safety Planning Subcommittee** met on Wednesday, April 10, 2002, with six bills on the calendar. **HB 1893** by Rep. Head passed to full committee as amended. The amended bill would require new specialty earmarked license plates to only go into production if there are one thousand orders (current law is five hundred plates). The amendment also requires the Comptroller to do a cost analysis study to determine if the specialty plates are not completely self funded. **HB 2354** by Rep. Maddox passed to full committee; the bill requires accident reports from state troopers to include information regarding cell phones used at the time of the wreck. **HB 2796** by Rep. Ridgeway passed to full committee. The bill would license low speed motor vehicles and create a \$9.50 registration fee to operate the vehicle. A class D driver's license would be required to operate the vehicle. Locals could prohibit the operation of the vehicle on roads in its jurisdiction for safety concerns. **HB 3129** by Rep. Ridgeway passed to full committee. The bill enacts the "Tourism Resources Act" that would increase the state gas tax from twenty cents to twenty-one cents. The proceeds would either be spent on state park operations or tourism development. The estimated revenue from this bill is \$37.8 million. **HJR 789** by Rep Newton passed to full committee. It creates a highway sign for "Sheriff Israel Smith Memorial Highway--US Highway 11 in Bradley County. **HB 2367** by Rep. Montgomery passed to full committee. The bill authorizes the issuance of the Rocky Mountain Elk Foundation new specialty earmarked license plate.

The **Public Transportation & Highways Subcommittee** is closed until the final meeting scheduled for April 23, 2002. The **Rural Roads Subcommittee** is closed.

Summaries of the Budget Hearings begin on page 10.

Budget Hearings
House Finance, Ways & Means Committee
Board of Probation & Parole - April 2nd
Department of Transportation - April 9th
Department of Finance & Administration's
Budget Overview and Capital Projects Overview - April 4th

Board of Probation and Parole

Tuesday April 2, 2002

Lawrence Hall, Jr.

On April 2nd, 2002, the Board of Probation and Parole presented to the House Finance, Ways, and Means Committee its budget for Fiscal Year 2002-2003. Mr. Charles Traughber, Chairman of the Probation and Parole Board, made the presentation and stated that the function of the Board of Probation and Parole is to "oversee the release of convicted felons to parole and provide subsequent community supervision." Chairman Traughber further stated that the board's mission also includes "supervising offenders placed on probation or in community corrections programs by state courts."

The board made a **total budget request** for Fiscal Year 2002-2003 of **\$58,025,800**, which equals to a 4% increase of the previous fiscal year's budget. The board is also asking for **\$3,510,600 in funding to make improvements** in three different areas;

- Caseload Management
- Offender Diversion; and
- Grants

For **caseload management**, the board is requesting a total of \$2,660,600. Part of that total will be allocated for **Probation and Parole Services** (\$2,160,600). The remaining \$500,000 is to be allocated for **Community Corrections**. These funds will allow the board to fund positions for 56 field officer and supervisor positions. This improvement will help the department reduce the caseload from an average of 1:100 to 1:90. The national organization standard is 1:70. These funds will also provide funds to reduce caseloads in community corrections programs and increase alcohol and drug treatment services.

Under **offender diversion**, the board is requesting \$500,000 for **Community Corrections**. These funds are to be utilized for the diversion of non-violent felons into community corrections programs for the purpose of managing the future growth of the prison population.

For the **grant's portion** of the improvement request, the board is requesting \$350,000 for **Project Return and DISMAS Grants**. These funds will aid in continuing the board's relationship with those non-profits that help parolees successfully move back into society. These grants were moved to non-recurring during last year's budget process.

Due to understaffing and the growth in caseloads, the Board feels that a 5-10%, as proposed in the "no new revenue" scenario" will have a devastating impact on the board's ability to meet it's obligations to the citizen's of the State of Tennessee. The Board would not be able to reduce services to parolees; therefore, any reductions would have to come in administrative areas. Cuts in administration could affect training and the ability to hire personnel, which could potentially open the state to court judgements. Caseload ratios would continue to increase; as noted above they are already well above the national average. It would also hamper the Board's ability to provide information to the Select Oversight Committee on Corrections.

Department of Transportation

Tuesday, April 9, 2002

Greg E. Adkins

On Tuesday, April 09, 2002 the Tennessee Department of Transportation's (TDOT) Commissioner, Bruce Saltsman, addressed the House Finance Committee about the department's budget for the 2002-2003 fiscal year. The Department's **total budget request** for FY 2002-03 is **\$1.555 billion** (dedicated state funds \$747 million, federal funds \$772.7 million and other \$35.6 million). The department has direct responsibility for an estimated 14,000 miles of state highways--it is also responsible for public transit, aviation, rail, and waterway transportation.

The budget that was presented to the Finance Committee does not include the potential reductions in federal funding under the Revenue Aligned Budget Authority (RABA). Under the RABA provision of the federal-aid highway legislation, apportionments for federal programs are automatically adjusted when revenues exceed or lag projected forecasts. According to the U.S. Treasury, federal highway funds are decreasing. According to Commissioner Saltsman three reasons were given for the decrease in revenue: (1) The increase in the sale of gasohol, (2) the increase use of tractor trailers from three years to five years by major trucking companies, and (3) decreased gas revenues. Projections are that federal funds coming to Tennessee could be reduced as much as \$180 to \$190 million. However, the final impact will not be known until the federal budget is passed at the end of September 2002. The impact of the reduction could be extremely significant.

Commissioner Saltsman responded to the potential impact of the "no new revenue" scenario. Since the Department's budget is funded by dedicated highway user taxes, the "no new revenue" scenario would not have a direct impact unless funding sources were reduced or eliminated. If the Department's funding sources were to be reduced or eliminated the department would scale back or even eliminate funding for the State Aid program, Mass Transit assistance and the 100% state funded construction programs. Below are two scenarios of what the Department would eliminate if \$60 million and \$140 million were redirected. As a side note, the \$60 million reduction would result in \$175.1 million loss in federal funds and the \$140 million reduction would result in \$258.1 million loss in federal funds.

Code	Description	Proposed State Program	\$60 Million Reduction	\$140 Million Reduction	Comments
402	Administration	\$32,421,000	\$0	(2.5 Million)	Reduction in IT Program
403	Engineering	\$29,592,000	\$0	(\$1.5 Million)	Reduction in Equipment
430	Equipment	\$21,201,000	\$0	(\$5 Million)	Reduction in Auto
440	Planning & Research	\$7,700,000	\$0	(\$1 Million)	Reduce APR
455	State Aid/Bridge Grant	\$26,700,000	(\$26.7 Million)	(\$26.7 Million)	Elimination of State Aid/Bridge
470	State Industrial Access	\$10,815,000	\$0	(\$5.8 Million)	Reduction in SIA
478	Local Interstate Connectors	\$1,475,000	\$0	(\$1.5 Million)	Elimination of LIC
416	Mass Transit	\$26,489,000	(\$13.2 Million)	(\$26.5 Million)	Reduction in Mass Transit
480	State Highway Construction	\$191,819,000	(\$17.1 Million)	(\$64.5 Million)	Reduction in State Match
481	Capital Improvements	\$6,660,000	\$0	(\$2 Million)	Reduction in Capital Imp.
494	Air, Water & Rail	\$24,000,000	(\$3 Million)	(\$3 Million)	100% reduction in RR Bridge Rehab
			(\$60 Million)	(\$140 Million)	

The deep cuts would effect local counties due to the state shared dollars for county maintenance.

The 2002-2003 Fiscal Year's TDOT budget includes \$978.5 million for Federal Aid Construction; \$70.4 million is budgeted for 100% state construction programs such as State Aid, Betterment's, State Industrial Access, Local Interstate Connectors and Capital Improvements. Mass transit activities are budgeted at \$57.6 million and Air, Water and Rail functions are to receive \$40.3 million. Administrative costs of \$130.6 million are necessary to fund the Department's 4,935 positions as well as provide for equipment, supplies, and supporting systems necessary for the completion of their mission.

Commissioner Saltsman updated the Committee on the status of the 1986 "Better Roads" program and advised that it is 87% complete.

Department of Finance and Administration's Budget Overview and Capital Projects Overview Thursday, April 4, 2002

Cathy Higgins

Finance and Administration's Budget Overview and Capital Projects Overview

Commissioner Warren Neel, Finance and Administration, presented the Department's budget overview for Fiscal Year 2002-03. The Department's **total budget request is \$224,575,000**. Of this, **\$14,323,300 represent State dollars**. This State dollar amount includes an improvement request of **\$2.5 million** for the Geographic Information System. This is the **only improvement request** made by the Department. Commissioner Neel noted that the state dollar base, less the improvement, is \$11.8 million, which represents less than 5.3% of the Department's total budget. The Department's main source of revenue is "interdepartmental dollars" for financial and administrative support the department provides to state government. Interdepartmental dollars total \$174.8 million for FY 02-03, which is 78% of the Department's total budget.

As is asked of all departments - what would be the impact if the "no new revenue" scenario occurs? Commissioner Neel noted that the Department's number of positions has declined to 765 from 781 in 2001. The Department continues to reduce the number of positions where it can. Also state dollars represent 5.3% of the Department's budget, all other dollars are captured for services rendered. However, it would be proposed to eliminate the Commission on National and Community Service, which would affect the AmeriCorps scholarships. This would save the State \$206,000 in state dollars; however, at the same time lose over \$10.3 million in federal funds. Another proposal would be to eliminate additional positions that are funded with state funds. These reductions could affect the Budget Division, Contract Monitoring, and Capital Projects division. A third option would be to review consultant contracts within the Office of Information Resources. Due to the below-market salaries paid for information/technology personnel many of the functions within OIR have to be contracted out to the private sector at higher costs. The goal of the review would be to adjust the salary policy to keep the best and brightest from seeking employment with consultants and to eliminate some of the contracts for consultants. Commissioner Neel noted that state employee salaries are around 75% of market.

Commissioner Neel also noted that measuring the state's growth rate to the CPI is not necessarily an accurate measure of growth. Government does not buy the same package that comprises the CPI. Government purchases are disproportionately higher in the areas of health care and education. Health care inflation alone is usually in the double digits. In the most recent year, health care inflation, nationwide, averaged 12 to 14%.

Commissioner Neel noted that, "Tennessee has been recognized again by *Governing Magazine* as one of the top States in the nation in the operation and delivery of information systems. The state is noted for cost-effective operations, consolidation of infrastructure, strong project management on new systems, and for requiring cost/benefit review of projects before they are implemented."

The one improvement request by the Department is \$2.5 million to continue funding of the Geographical Information System (GIS) project. This project is designed to provide computer maps of the whole state to the parcel level. Twenty-two counties have been completed and 13 are in the process.

Capital Projects Overview

Commissioner Neel stated that for the most part the **proposed capital projects** for FY 2002-03 is **the same as presented last year**. There are some additions to the list in the areas of Education, Military (federal funding), Safety, and the Geier Desegregation Settlement.

The Geier Desegregation Settlement capital improvement includes \$10 million for the Nashville School of Law. According to David Gregory, Tennessee Board of Regents, the merger talks between Tennessee State University and the Nashville School of Law are still progressing. The goal is that the negotiations will be completed one way or the other by May 31.

There is an improvement request for the Tennessee State Museum for \$1.5 million for initial planning to relocate the museum to the Bicentennial Mall. This project is part of the master plan comprised two-three years ago. The Tennessee Performing Arts Center in the Polk Building, where the museum is now housed, requires more space from the museum. This is a multi-million dollar project and \$4 million in gifts have been received so far.

There is an improvement request of \$33.6 million for the Military Department for 8 areas within the State. The major funding source for these projects are federal funds - \$32.6 million.

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